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C O N F I D E N T I A L TEL AVIV 006406

SIPDIS

E.O. 12958: DECL: 12/15/2014

TAGS: [EFIN](#) [PREL](#) [KWBG](#) [IS](#) [ISRAELI](#) [PALESTINIAN](#) [AFFAIRS](#) [ECONOMY](#) [AND](#) [FINANCE](#)

SUBJECT: GOI RELEASES MORE ATTACHED REVENUES TO PA

REF: A. TEL AVIV 5643

[1](#)B. TEL AVIV 6008

Classified By: AMBASSADOR DANIEL C. KURTZER FOR REASONS 1.4 (B,D)

This message was cleared by ConGen Jerusalem.

[1](#)1. (C) Summary. Finance Ministry Senior Advisor Rani Loebenstein informed Mission that Israeli courts will release in December an additional NIS 136 million in attached revenues related to acts of terror. Of this, NIS 16 million will be deducted to pay down PA debts to Israeli utilities. The MoF official had earlier predicted the courts would be loath to release such funds in view of the political impact. It appears the personal intervention of PA Finance Minister Fayyad with the Israeli courts was decisive. This brings the total amount of attached revenues (not counting utility deductions) released by Israeli courts to date approximately to NIS 523 million out of NIS 880 million, leaving Israeli courts to release NIS 357 million. End Summary.

[1](#)2. (C) In separate meetings with EconCouns and Econ Deputy, Loebenstein said that PA Finance Minister Salaam Fayyad had personally contacted Israeli courts to request the release of attached revenues related to terror. In response to Fayyad's request, which was supported by the GOI, the courts had agreed to release NIS 136 million out of NIS 156 million attached for such acts, basing the decision on the argument that the original level of attachments was inappropriately large. Of this, the PA would pay down NIS 16 million of Israeli utility debts. According to Loebenstein, Israeli courts have yet to release approximately NIS 357 million in attached revenues.

[1](#)3. (C) To date, Israeli courts have released the following attached revenues (all amounts in NIS millions):

Tranche Number: 1
Date: November 2
Gross Amount Released: 144.5
Utility Deductions: 45
Net Payout: NIS 99.5 million

Tranche Number: 2
Date: o/a November 15
Gross Amount Released: 130
Utility Deductions: 130
Net Payout: 0

Tranche Number: 3
Date: November 28
Net Payout: NIS 112.6 million

Tranche Number 4
Date: December 16 or 19
Gross Amount Released: 136
Utility Deductions: 16
Net Payout: NIS 120 million

Total Gross Attachment Payout to Date: NIS 523 million
Total Net Attachment Payout to Date: NIS 332 million
Undisbursed Attachments: NIS 357 million

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KURTZER